

Jeevan Anand Plan – (Table No 149)

Benefit Illustration

Introduction

Insurance Regulatory & Development Authority (IRDA) requires all life insurance companies operating in India to provide official illustrations to their customers. The illustrations are based on the investment rates of return set by the Life Insurance Council (constituted under Section 64C(a) of the Insurance Act 1938) and is not intended to reflect the actual investment returns achieved or may be achieved in future by Life Insurance Corporation of India (LIC).

For the year 2003-04 the two rates of investment return declared by the Life Insurance Council are 6% and 10% per annum.

Product summary

This plan is a combination of Endowment Assurance and Whole Life plans. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the end of the selected term in case of his survival.

Premium :

Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions as opted by you throughout the selected term of the policy or till earlier death.

Bonuses:

This is a with-profit plan and participates in the profits of the Corporation's life insurance business. It gets a share of the profits in the form of bonuses. Simple Reversionary Bonuses are declared per thousand Sum Assured annually at the end of each financial year. Once declared, they form part of the guaranteed benefits of the plan. Bonuses will be added during the selected term or till death, if it occurs earlier. Final (Additional) Bonus may also be payable provided the policy has run for certain minimum period.

Benefits in case of death during the selected term:

The Sum Assured along with the vested bonuses is payable on death in a lump sum.

Benefits in case of survival to the end of selected term:

The Sum Assured along with the vested bonuses is payable in a lump sum on survival to the end of the term. An additional Sum Assured is payable on death thereafter.

Accident Benefit:

An additional Sum Assured (subject to a limit of Rs.5 lakh) is payable in a lump sum on death due to accident up to age 70 of life assured. In case of permanent disability of the life assured due to accident this additional Sum assured is payable in instalments.

Supplementary/Extra Benefits : These are the optional benefits that can be added to your basic plan for extra protection/option. An additional premium is required to be paid for these benefits.

Surrender Value:

Buying a life insurance contract is a long-term commitment. However, surrender values are available on the plan on earlier termination of the contract.

Guaranteed Surrender Value:

The policy may be surrendered after it has been in force for 3 years or more. The guaranteed surrender value is 30% of the basic premiums paid excluding the first year's premium. Any extra premium(s) paid and premium(s) towards Accident Benefit are also excluded.

Corporation's policy on surrenders :

In practice, the Corporation will pay a Special Surrender Value – which is either equal to or more than the Guaranteed Surrender Value. The benefit payable on surrender reflects the discounted value of the reduced claim amount that would be payable on death or at maturity. This value will depend on the duration for which premiums have been paid and the policy duration at the date of surrender. In some circumstances, in case of early termination of the policy, the surrender value payable may be less than the total premium paid.

The Corporation's surrender value will be reviewed from time to time and may change depending on the economic environment, our experience and other factors.

Note : The above is the product summary giving the key features of the plan. This is for illustrative purpose only. This does not represent a contract and for details please refer to your policy document.

Benefit Illustration:**Statutory warning**

"Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed returns then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable returns then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not upper or lower limits of what you might get back as the value of your policy is dependent on a number of factors including future investment performance."

Age at entry: 35 years
 Premium paying term: 25 years
 Mode of premium payment: Yearly
 Sum Assured: Rs.1,00,000/-
Annual Premium: Rs.4,535 /-

End of Year	Total premium paid till end of year	Benefit payable on death during the selected term				
		Guaranteed *	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	4,535	1,00,000	1500	5100	101500	105100
2	9,070	1,00,000	3000	10200	103000	110200
3	13,605	1,00,000	4500	15300	104500	115300
4	18,140	1,00,000	6000	20400	106000	120400
5	22,675	1,00,000	7500	25500	107500	125500
6	27,210	1,00,000	9000	30600	109000	130600
7	31,745	1,00,000	10500	35700	110500	135700
8	36,280	1,00,000	12000	40800	112000	140800
9	40,815	1,00,000	13500	45900	113500	145900
10	45,350	1,00,000	15000	51000	115000	151000
15	68,025	1,00,000	22500	76500	122500	176500
20	90,700	1,00,000	33000	113000	133000	213000
25	1,13,375	1,00,000	41500	141000	141500	241000

End of Year	Total premium paid till end of year	Benefit payable on survival to the end of selected term				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
25	1,13,375	1,00,000	41500	141000	141500	241000
26 onwards	1,13,375	1,00,000 **	-	-	1,00,000 **	1,00,000 **

* In addition to the benefits given in the column, an Accident Benefit of Rs. 1,00,000 /- will also be available without payment of extra premium in case of death/disability due to accident.

** Benefit payable on death after the selected term. If the death occurs due to accident up to age 70 an additional Rs. 1,00,000/- will also be paid.

i) *The above illustration is applicable to a non-smoker male/female standard (from medical, life style and occupation point of view) life.*

ii) *The non-guaranteed benefits (1) and (2) in above illustration are calculated so that they are consistent with the Projected Investment Rate of Return assumption of 6% p.a.(Scenario 1) and 10% p.a. (Scenario 2) respectively. In other words, in preparing this benefit illustration, it is assumed that the Projected Investment Rate of Return that LICl will be able to earn **throughout the term of the policy** will be 6% p.a. or 10% p.a., as the case may be. The Projected Investment Rate of Return is **not guaranteed**.*

iii) *The main objective of the illustration is that the client is able to appreciate the features of the product and the flow of benefits in different circumstances with some level of quantification.*

iv) *Future bonus will depend on future profits and as such is not guaranteed. However, once bonus is declared in any year and added to the policy, the bonus so added is guaranteed.*